

Highlights

This issue of the *Natural Gas Monthly* contains estimates of natural gas data through June 2001 for many data series at the national level. National-level natural gas prices in 2001 are available through February (electric utilities), March (residential, commercial, and industrial), or May (wellhead). State-level data generally are available through March 2001, although underground storage data are available through April 2001. Highlights of the most recent data are:

- Cumulative dry natural gas production for January through June 2001 is estimated to be 9,691 billion cubic feet or 53.5 billion cubic feet per day (Table HI1). This daily rate is 3 percent higher than in the first half of 2000. Net imports of natural gas have surged during the first half of 2001, averaging 10.2 billion cubic feet per day—10 percent higher than during the same period in 2000.

**Table HI1. Natural Gas Production, Net Imports, and Consumption by End-Use Sector
(Billion Cubic Feet per Day)**

Supply and Consumption	1999	2000	2001
	January through June		
Selected Supplies			
Dry Production	51.5	51.9	53.5
Net Imports	9.2	9.3	10.2
End-Use Consumption			
Residential	17.0	16.2	18.3
Commercial	10.2	10.4	11.3
Industrial	24.1	26.2	26.1
	January through February		
Electric Utilities	5.5	6.0	5.1

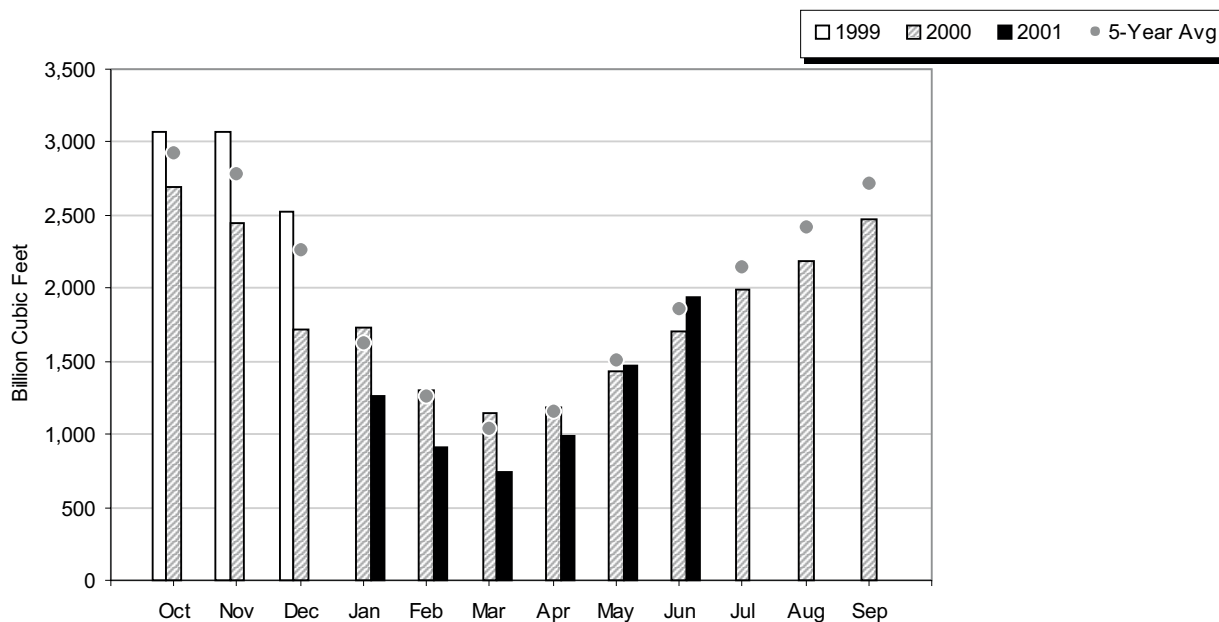
Sources: Derived from Tables 2 and 3.

Consumption by Electric Utilities

Data for natural gas consumption by electric utilities are not available for March 2001 in this issue of the *Natural Gas Monthly*. However, consumption data for the other end use sectors are available. The Energy Information Administration (EIA) expects to release the March 2001 electricity consumption data before the July issue of the *Natural Gas Monthly* becomes available. They will be included in Table 41 of the next issue of the *Electric Power Monthly* report. You may find this report on the EIA web site, Click on the by-fuel section of the home page and select electricity. The URL to get directly to the *Electric Power Monthly* is http://www.eia.doe.gov/cneaf/electricity/epm/epm_sum.html.

- Net injections of natural gas into underground storage facilities have been strong during the first three months of the refill season (April through June). Cumulative net injections in second quarter 2001 are estimated to be 1,224 billion cubic feet, 127 percent higher than during the same period in 2000 (Table 10).
- Residential and commercial consumption of natural gas during the first half of 2001 have averaged an estimated 18.3 and 11.3 billion cubic feet per day, respectively, 13 and 9 percent higher than in the first half of 2000. Estimated industrial consumption of 26.1 billion cubic feet per day is nearly the same as in the first half of 2000.
- All end-use sectors paid at least \$3.00 per thousand cubic feet more for natural gas in the first quarter of 2001 than they did in the first quarter of 2000 (Table 4). Residential expenditures for natural gas during the 2000-2001 heating season (November through March) were an estimated \$36 billion, 72 percent more than during the 1999-2000 heating season.
- National average natural gas wellhead prices fell sharply in February 2001 to an estimated \$5.84 per thousand cubic feet from \$8.06 per thousand cubic feet in January 2001. The most recent estimate for the wellhead price is \$4.56 per thousand cubic feet in May 2001.
- Natural gas futures prices on the New York Mercantile Exchange (NYMEX) for delivery at the Henry Hub have generally fallen throughout 2001 (Figure H13). Recent high levels of injections of gas into storage have contributed to this decline from April through June. On May 25, 2001, the settlement price on the near-month contract (for June) fell to \$3.973 per million Btu, the first time the settlement price was below \$4 since August 1, 2000. Trading on the contract for delivery in July 2001 closed on June 27, 2001 at \$3.182 per million Btu. The July 2000 contract had closed at \$4.369 per million Btu and the July 1999 contract had closed at \$2.262.

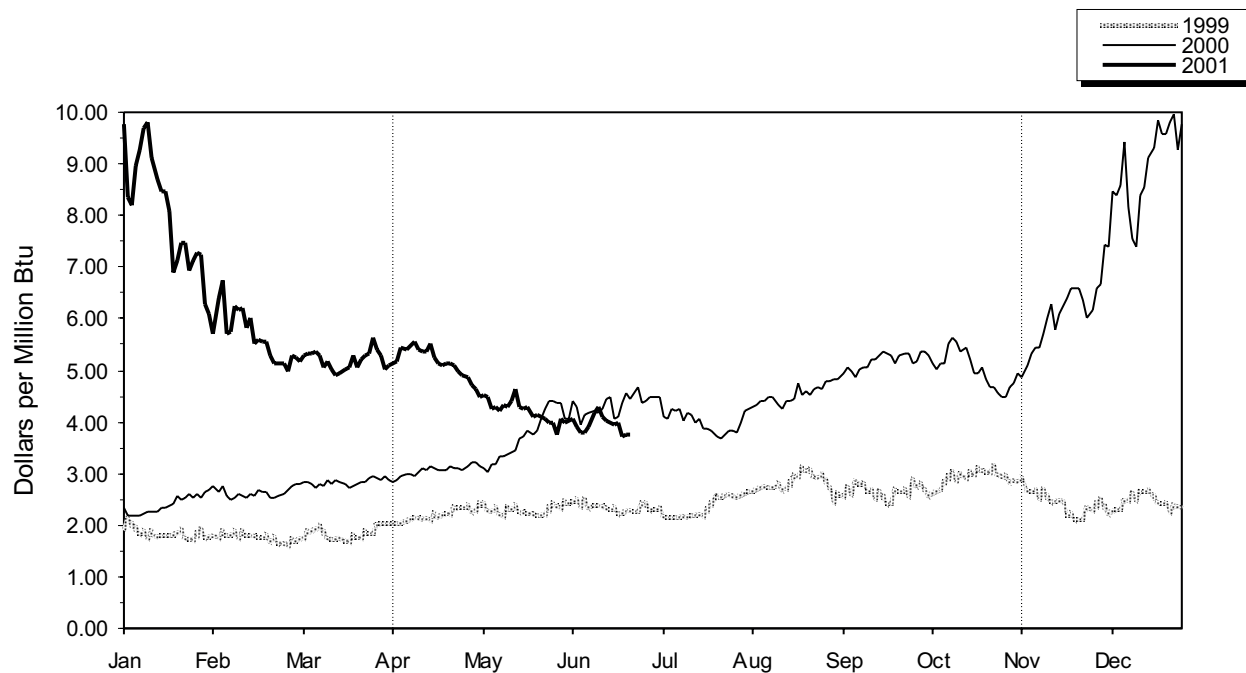
Figure H12. Working Gas in Underground Storage in the United States, 1999-2001



Note: The 5-year average is calculated using the latest available monthly data. For example, the December average is calculated from December storage levels for 1996 to 2000 while the January average is calculated from January levels for 1997 to 2001. Data are reported as of the end of the month, thus October data represent the beginning of the heating season.

Source: Form EIA-191, "Monthly Underground Gas Storage Report," Form EIA-176, "Annual Report of Natural and Supplemental Gas Supply and Disposition," and Short-Term Integrated Forecasting System.

Figure H13. Daily Futures Settlement Prices at the Henry Hub



Note: The futures price is for the near-month contract, that is, for the next contract to terminate trading.

Contracts are traded on the New York Mercantile Exchange. April 1 is the beginning of the natural gas storage refill season. November 1 is the beginning of the heating season.

Source: Commodity Futures Trading Commission, Division of Economic Analysis.